

PART 100 - SCOPE OF WORK

PUEBLO OF LAGUNA
MINERAL RESOURCES OFFICE

Confidential Claim Retracted

AUTHORIZED BY: SC

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101 PURPOSE OF CONTRACT

The Pueblo of Laguna has experienced substantial energy resource development over the past 25 years and expects such development to continue indefinitely. The existing trust services heretofore provided by the Bureau of Indian Affairs (BIA) and the United States Geological Survey (USGS) may have been insufficient to safeguard the Pueblo's interests and to meet its needs. Action by the Pueblo's government, therefore, appears the best, if not the only means to make certain that the Pueblo's resource management goals are achieved. Such direct Pueblo involvement is also in accord with the policy of fostering self-determination, since it maximizes the Pueblo's opportunities to oversee and manage development of its lands. It is also in keeping with the expanded tribal roles and broader environmental consideration proposed in pending revisions to 25 CFR Part 171 and 177. Accordingly, it is proposed that a Mineral Resources Office be created as a part of the Pueblo's governmental structure.

102 SCOPE OF WORK

The Pueblo has identified areas of possible BIA and USGS shortfalls. Implementation of a Mineral Resources Office will play a constructive role in eliminating some of these shortfalls by performing the following:

a) Reclamation Plans

All present and future mining and reclamation plans developed and presented to the Pueblo will first be reviewed by the MRO. Analyses identifying impacts and options along with their (MRO's) recommendation will be presented to the Tribal Council for their consideration. Should any foreseen conflicts exist, such conflicts should be identified in order that the Tribal Council can make better informed decisions. Estimates will also be prepared of the environmental impact of various mining and reclamation options and means for improving any adverse impacts.

The MRO will also review all lease proposals for mineral exploration or development and shall review and recommend to the Tribal Council approval or denial of the operator's mining, abandonment and reclamation plans. MRO will develop, compile and maintain complete records of all leases and lease assignments of Pueblo lands and will prepare reports and recommendations to the Governor should any dispute arise with respect to such assignments. It will also coordinate the Pueblo resource development programs with the activities of other units of the Pueblo's government and with relevant state, regional and federal agencies and non-governmental minerals related organizations.



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- b) Mineral Resources Office will perform on-site inspections of mining operations to monitor compliance with lease provisions including those requiring efficient recovery and operating procedures and care in protecting the physical environment during all phases of extraction refining operations and abandonment. The MRO will request from each operator weight records of each lot of ore produced and shall designate a competent organization to inspect and certify each operator's scales semi-annually. MRO shall attend operator's sampling of their ore, shall obtain a portion of each sample for possible assay, and shall review each assay report and weight and moisture certificate provided by the operator. The MRO will compare its own assay reports with those submitted by the lessee and bring any significant differences to the attention of the Governor. Settlement sheets accompanying royalty payments will be retained and examined at the MRO and will be reconciled with the operator's annual reports. The MRO will also perform periodic pollution inspections, check compliance with lease provisions concerning surface conditions, perform post-audits of lease accounts and coordinate with appropriate agencies the inspection and monitoring of compliance with mining and environmental regulations.

In order to perform the functions set forth above, the Pueblo of Laguna will utilize contract funds to obtain professional services to assist in the coordinating of the Pueblo Mineral Resources efforts. Professional services obtained will provide assistance to the Pueblo's representation to the Council of Energy Resource Tribes (CERT) and shall keep the Governor and Council informed of developments significant to the Pueblo's resource development goals. Where necessary, the MRO may retain and/or work with financial, legal, economic, environmental and other aspects, such as those from the Department of Energy and its consultants, to assist in reviewing all lease proposals and may prepare recommended stipulations to be included in leases. One of the purposes for obtaining professional services is to provide executive direction and operation in future years.

103 DELIVERABLES

At the conclusion of the contract period the Pueblo of Laguna will deliver to the Albuquerque Area Office of Bureau of Indian Affairs a report of findings of the MRO with recommendations for correction of any deficiencies discovered.